

CITY COUNCIL REPORT



Meeting Date: November 28, 2016
 General Plan Element: ***Economic Vitality***
 General Plan Goal: ***Sustain Scottsdale as a tourist destination***

ACTION

Authorize an update to the WestWorld Municipal Use Master Site Plan and the allocation of \$300,000 from the Tourism Development Fund for the development of a Municipal Use Master Site Plan for WestWorld. Adopt Resolution No. 10619 authorizing a FY 2016/17 Tourism Development Fund operating contingency budget transfer totaling \$300,000 to be funded from the City portion of the bed tax carry-over to a newly created capital improvement project to be titled WestWorld MUMSP.

Request by City of Scottsdale for initiation of the following:

1. Municipal Use Master Site Plan (MUMSP) application for the purpose of updating the existing MUMSP on 380 +/- acres of City owned properties located in the general vicinity east of the Loop 101 highway and south of E. Bell Road, with Western Theme Park (W-P), and Western Theme Park, Environmentally Sensitive Lands (W-P/ESL) zoning.
2. Text Amendment to the City of Scottsdale Zoning Ordinance to amend Section 5.2802, to the Western Theme Park (W-P) zoning district, located city-wide.
3. Conditional Use Permit (CUP) application for the purpose of consolidating the existing approved CUP on 380 +/- acres of City owned properties located in the general vicinity east the Loop 101 highway and south of E. Bell Road, with Western Theme Park (W-P), and Western Theme Park, Environmentally Sensitive Lands (W-P/ESL) zoning.

BACKGROUND

The purpose of this action is to establish a capital project to be titled "WestWorld MUMSP" and to authorize a FY 2016/17 Tourism Development Fund operating contingency transfer totaling \$300,000 funded from the City portion of the bed tax carry-over funds; and to initiate an update to the existing MUMSP for WestWorld, a text amendment for the Western Theme Park zoning district, and a conditional use permit for live entertainment for the Tony Nelssen Equestrian Center.

Council approved the current WestWorld MUMSP on October 30, 2007. This plan was the result of a lengthy planning process that included outreach and coordination with neighboring residents, event producers and other stakeholders at WestWorld. The MUMSP was reviewed by both the Planning Commission and the Tourism Development Commission. Improvements built since that time are consistent with this plan, and most of the new improvements included in this plan have now been

completed, including arena upgrades, installation of new show offices and barn buildings, and construction of the Tony Nelssen Equestrian Center.

With the existing plan being near build-out, and with uses of WestWorld continuing to evolve, Staff has identified several unmet capital needs to further maximize the use of the facility. Additionally, stakeholders, including event producers, are also coming forward and suggesting capital improvement projects to meet the needs of their events.

On August 16, 2016, one of these stakeholders presented a proposed plan for WestWorld improvements over the next three years to the Tourism Development Commission. This presentation covered both near and long term needs and proposed funding that the presenter felt was necessary to maximize the economic potential for WestWorld. A summary of the proposed improvements from this presentation is attached.

The nature and magnitude of some of the improvements being proposed both by staff and stakeholders, and the fact the improvements are not envisioned by the current MUMSP, is such that an update to the MUMSP would be necessary to implement the projects. The MUMSP process will ensure that other event producers, neighboring residents and businesses, and the general public all have input into decisions that may affect them as future projects are completed. It also provides the means to prioritize the future capital investment effort to ensure the best use of limited available funds for future projects.

On October 18, 2016, Staff made a presentation to the Tourism Development Commission (TDC) detailing the need for a MUMSP update, and proposing the use of \$300,000 of bed tax revenue to fund the effort. The TDC felt it was appropriate to support the MUMSP effort with bed tax funds, but felt that non-tourism uses would also benefit. In view of this, the TDC voted to recommend to Council the allocation of up to \$150,000 from the Tourism Development Fund for the development of the WestWorld MUMSP update, leaving it to the City to identify an alternative source for the remainder of the requirement.

ANALYSIS & ASSESSMENT

The cost of preparing the update of the MUMSP, including all steps required up to presentation to Council for final approval, is estimated at \$300,000. This amount will include professional services, public outreach and capital project management staff time.

Recent Staff Action

On October 18, 2016, the Tourism Development Commission heard a presentation from staff on the Municipal Use Master Plan Update. The Tourism Development Commission recommended allocating up to \$150,000 from the Tourism Development Fund for the development of a Municipal Use Master Site Plan for WestWorld.

Community Involvement

If the MUMSP is approved, the design team and City staff will meet with the Tourism Development Commission, Planning and WestWorld staff and stakeholders to gather input. Public meetings will also be held and will be widely advertised. After the plan is refined into a proposed Municipal Use Master Site Plan, the plan will be processed through the Development Review Board and Planning Commission before reaching the City Council for final approval of the MUMSP.

During the design phase, public meetings will be held for the purpose of soliciting community input. Additional input will be received during the Municipal Use Master Site Plan approval process.

RESOURCE IMPACTS

Available Funding

Staff is recommending the entire \$300,000 amount be taken from the Tourism Development Fund, reflecting the potential positive impact on future tourism-related events and in order to move the process forward as expeditiously as possible. Alternatively, either of the following two approaches could also be used:

- 1) Adopt the Tourism Development Commission recommendation by using \$150,000 from the Tourism Development Funds, and funding the remaining \$150,000 from the General Fund. This would require a CIP contingency transfer and would not subject this project to the normal capital project review process for prioritization, but would allow the effort to proceed quickly.
- 2) Adopt the Tourism Development Commission recommendation by using \$150,000 from the Tourism Development Funds, and consider a General Fund request for the remaining \$150,000 as part of the normal CIP development and approval process. This would postpone the MUMSP work until after the FY 2017/18 CIP budget is approved, but would ensure the request is properly prioritized against other General Fund needs.

Staffing, Workload Impact

The contract administrator responsible for managing the MUMSP process will be Anna Leyva, Senior Project Manager, Capital Project Management Department.

OPTIONS & STAFF RECOMMENDATION

Recommended Approach:

Authorize an update to the WestWorld Municipal Use Master Site Plan and the allocation of \$300,000 from the Tourism Development Fund for the development of a Municipal Use Master Site Plan for WestWorld. Adopt Resolution No. 10619 authorizing a FY 2016/17 Tourism Development Fund operating contingency budget transfer totaling \$300,000 to be funded from the City portion of

the bed tax carry-over to a newly created capital improvement project to be titled WestWorld MUMSP.

Request by City of Scottsdale for initiation of the following:

1. Municipal Use Master Site Plan (MUMSP) application for the purpose of updating the existing MUMSP on 380 +/- acres of City owned properties located in the general vicinity east of the Loop 101 highway and south of E. Bell Road, with Western Theme Park (W-P), and Western Theme Park, Environmentally Sensitive Lands (W-P/ESL) zoning.
2. Text Amendment to the City of Scottsdale Zoning Ordinance to amend Section 5.2802, to the Western Theme Park (W-P) zoning district, located city-wide.
3. Conditional Use Permit (CUP) application for the purpose of consolidating the existing approved CUP on 380 +/- acres of City owned properties located in the general vicinity east the Loop 101 highway and south of E. Bell Road, with Western Theme Park (W-P), and Western Theme Park, Environmentally Sensitive Lands (W-P/ESL) zoning.

Proposed Next Steps:

Following City Council approval, staff will issue a request for proposals to solicit design professionals qualified to prepare Municipal Use Master Site Plan documents. City staff will also initiate the public outreach and Planning process.

RESPONSIBLE DEPARTMENTS

Public Works Division, Capital Project Management

Tourism & Events Department

STAFF CONTACTS

Anna Leyva, Senior Project Manager, aleyva@scottsdaleaz.gov

Steve Geiogamah, Tourism Development Manager, sgeiogamah@scottsdaleaz.gov

APPROVED BY



Brian K. Biesemeyer, Acting City Manager
(480) 312-2800, dbiesemeyer@scottsdaleaz.gov

11-17-16

Date



Daniel J. Worth, Director, Public Works
(480) 312-5555, dworth@scottsdaleaz.gov

11-16-16

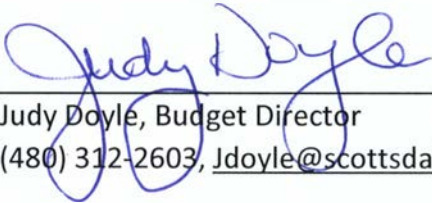
Date



Karen Churchard, Tourism & Events Director
(480) 312-2890, kchurchard@scottsdaleaz.gov

11.16.16

Date



Judy Doyle, Budget Director
(480) 312-2603, jdoyle@scottsdaleaz.gov

11.16.16

Date

ATTACHMENTS

1. Resolution No. 10619
2. Location map
3. WestWorld 2020 presentation

RESOLUTION NO. 10619

A RESOLUTION OF THE COUNCIL OF THE CITY OF SCOTTSDALE, MARICOPA COUNTY, ARIZONA, AUTHORIZING A FY 2016/17 TOURISM DEVELOPMENT FUND OPERATING CONTINGENCY BUDGET TRANSFER TOTALING \$300,000 TO BE FUNDED FROM THE CITY PORTION OF THE BED TAX CARRY-OVER TO A NEWLY CREATED CAPITAL IMPROVEMENT PROJECT TO BE TITLED WESTWORLD MUNICIPAL USE MASTER SITE PLAN AND TEXT AMENDMENT.

The City desires to update to the WestWorld Municipal Use Master Site Plan: and

The preparation of the Municipal Use Master Site Plan is estimated to cost \$300,000 - with the requested amount to include professional services, public outreach and capital project management staff time; and

Section 2 of Ordinance 4264 allows expenditures to be made from budget contingencies and reserves upon recommendation of the City Manager and approval of the City Council.

BE IT RESOLVED by the Council of the City of Scottsdale as follows:

Section 1. The City Council hereby authorizes a FY 2016/17 Tourism Development Fund operating contingency budget transfer totaling \$300,000 funded from the City portion of the bed tax carry-over to a newly created capital improvement project to be titled WestWorld Municipal Use Master Site Plan and Text Amendment.

PASSED AND ADOPTED by the Council of the City of Scottsdale this ____ day of _____, 2016.

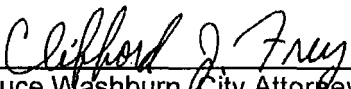
ATTEST:

CITY OF SCOTTSDALE, an
Arizona Municipal Corporation

By: _____
Carolyn Jagger, City Clerk

By: _____
W.J. "Jim" Lane, Mayor

APPROVED AS TO FORM:


Bruce Washburn, City Attorney
By: Clifford J. Frey
Senior Assistant City Attorney



WestWorld 2020

A Plan to Maximize WestWorld's Potential

Private and Public Sector Collaboration to Maximize WestWorld's Potential

- A four-year plan to secure the property's best possible future by the year 2020.
 - These are time-sensitive considerations, given that there is and will continue to be increased pressure on the Arizona State Land Department to sell key parcels of land.
-

2016 – Key Steps

- Large tent at WestWorld is being removed. This requires important remediation.
 - Remediation should be completed by Barrett-Jackson 2018 and should avoid Scottsdale Arabian Horse Show in February 2017.
 - Multi-party funding plan for WestWorld.
 - Barrett-Jackson expansion challenges and economic impact study.
 - **“Study: Barrett-Jackson adds \$167M to local economy in 2016”**
 - Site is reaching capacity.
-

2016 – Lot G and other areas

- Primary staging area for many of Barrett-Jackson's top cars – 25% of all cars.
- Improving upon the space allows a multi-purpose use of it.
- South Hall of Tony Nelssen Equestrian Center is underutilized. Paved floors would be able to increase its use.
- Relocation of Arena 8 would result in the better accommodation of large group events near TNEC, including Barrett-Jackson.



Lot G

2016 - Improvements

- Approximate cost to pave Lot G, South Hall, relocate Arena 8, and purchase Lot G mats: \$885,000.00.
 - Barrett-Jackson contribution paid over 3 years: \$282,000.00
 - Contribution from the City of Scottsdale: \$353,000.00
 - Unused portion of Scottsdale tourism tax funds: \$250,000.00
- Portion of RFP proceeds from the sale of the 40 acres at 94th and Bell would go towards acquiring 10 acres of Arizona State Land at approximately 96th and Bell, as well as the 7.29 acre remnant State Land parcel.



Lot G



Arena 8



12 acres in
current use

7.29 acre parcel

2017 - Steps

- Adopt a policy stipulating that tents may stay up at WestWorld in the Spring, post-Barrett Jackson. This would allow other events and the city to leverage these tents for other opportunities. Tent heights would be substantially lower than the existing tent at WestWorld.
- Approve K Lot parking and install lights.
- Cover Arena 6 or 7 to enhance equestrian shows.
- Expand the number of RV sites at WestWorld from 400 to 600.
- Make application to Arizona State Land Department to acquire the 10-acre and 7-acre parcel.
- Approve an additional, long-term parking plan involving Reach 11 land in the City of Phoenix.
- Barrett-Jackson files its zoning application for corporate headquarters it owns on 94th and WestWorld Drive across from WestWorld.



2017 - Costs

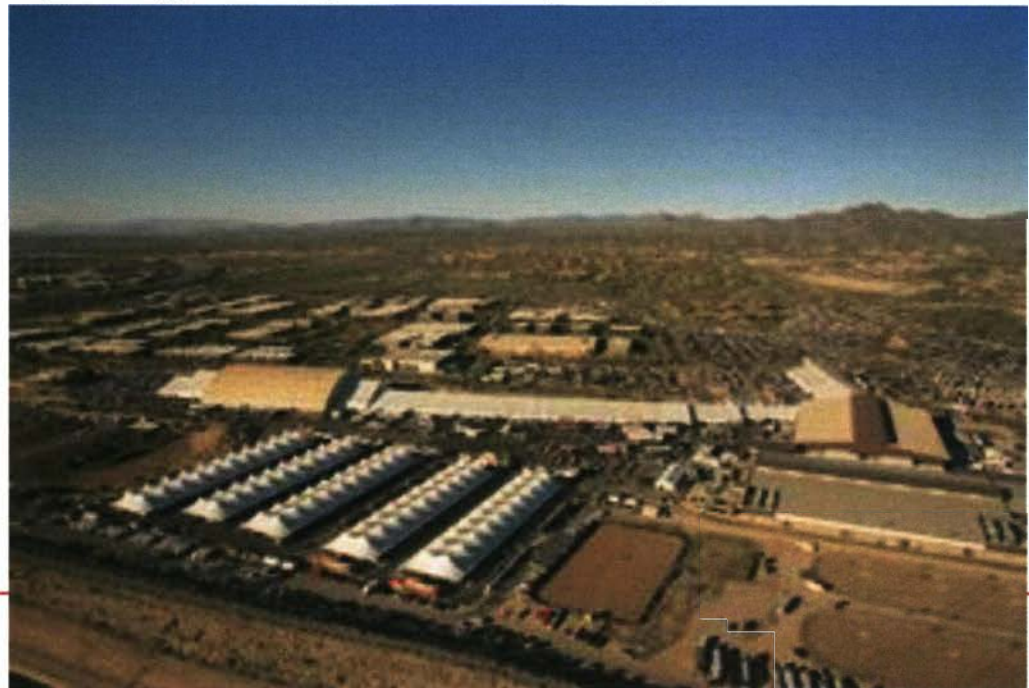
- K Lot Light installation: approx. \$1.1 million
- Cover Arena 6 or 7: approx. \$750,000.00
- Expand the number of RV sites at WestWorld: approx. \$1.5 million



The Future – 2018, 2019 & 2020

- 2018 – Construction begins on Barrett-Jackson Corporate Headquarters.
- 2019 – Barrett-Jackson office completed.
- 2020 – WestWorld's future secured as parking, site improvements, and private sector investments all online.

Unfortunately, there's one more issue...APS power lines



APS Powerlines

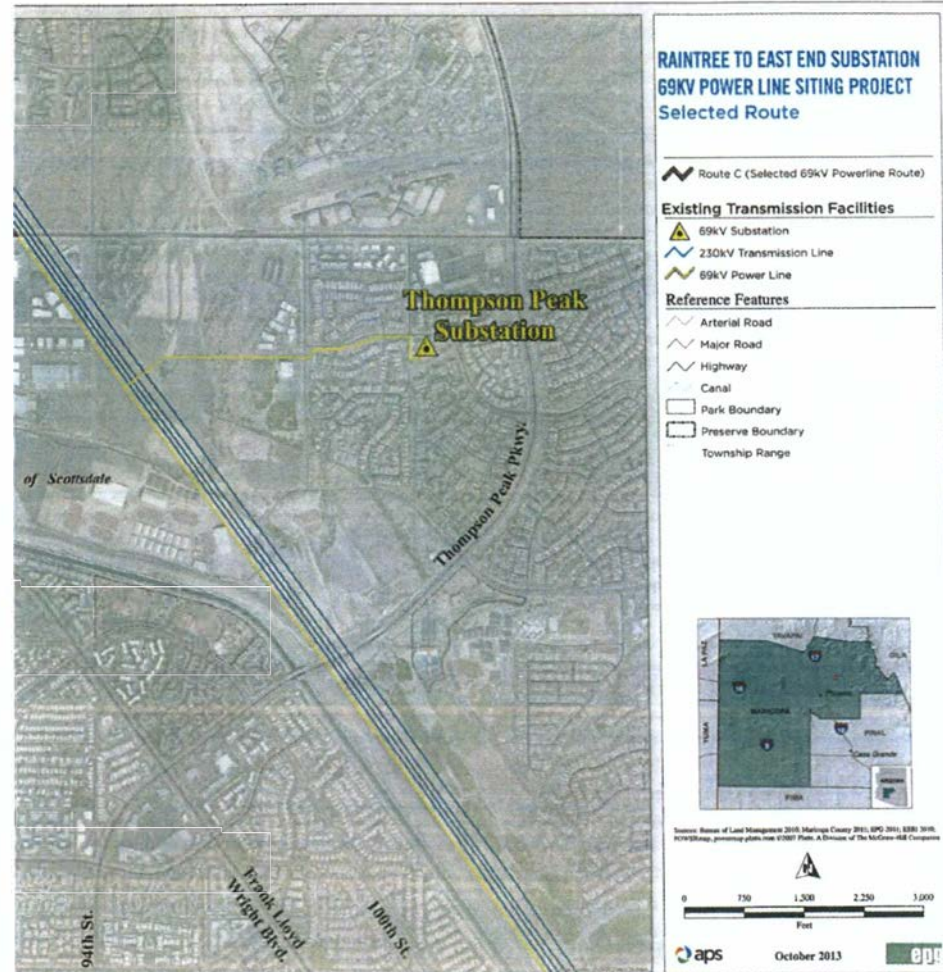
NEXT STEPS

With the final route selected, APS will begin to acquire land rights, complete design, begin the National Environmental Policy Act (NEPA) process to cross BOR Land and obtain permits for construction. Due to the time involved with these activities, it is expected that construction could commence in 2015, with completion by summer of 2016.

APS would like to thank you for your interest and participation in the project. A project web page will be available where project updates can be found. The web page address is aps.com/siting; click on current siting projects (find out more tab), then the Raintree Substation to East End Substation Power Line Siting (see more tab).

Questions can be submitted through the web page or directly to Brad Larsen, APS Senior Siting Consultant, at RaintreeProject@apsc.com. Information can also be obtained by calling (602) 493-4338.

For more information about all APS transmission and facility siting projects, visit our website at: aps.com/siting.



Seeking Support and Recommendations...

- Lot G: Paving it and providing mats for equestrian use ensure a multi-purposing of the space that does not currently exist.
 - South Hall: Underutilized. Paving allows for increased use by WestWorld renters.
 - Relocation of Arena 8: Better allows large groups to stage events near TNEC.
 - Acquiring 10 and 7.29 acres of AZ State Land at 96th & Bell: Another access point to WestWorld.
 - Adopt policy: Tents may stay up at WestWorld post-Barrett-Jackson in the Spring to be utilized for other opportunities.
 - Lot K: Approve additional parking and install lights.
 - Cover Arena 6 or 7: Enhance equestrian shows.
 - RV sites: Expand from 400 to 600+.
 - Additional parking: Approve long-term parking plan involving Reach 11.
-
- APS Power Lines: Possible funding to help underground power lines.

WestWorld Municipal Use Master Plan Update

***City Council
November 28, 2016***

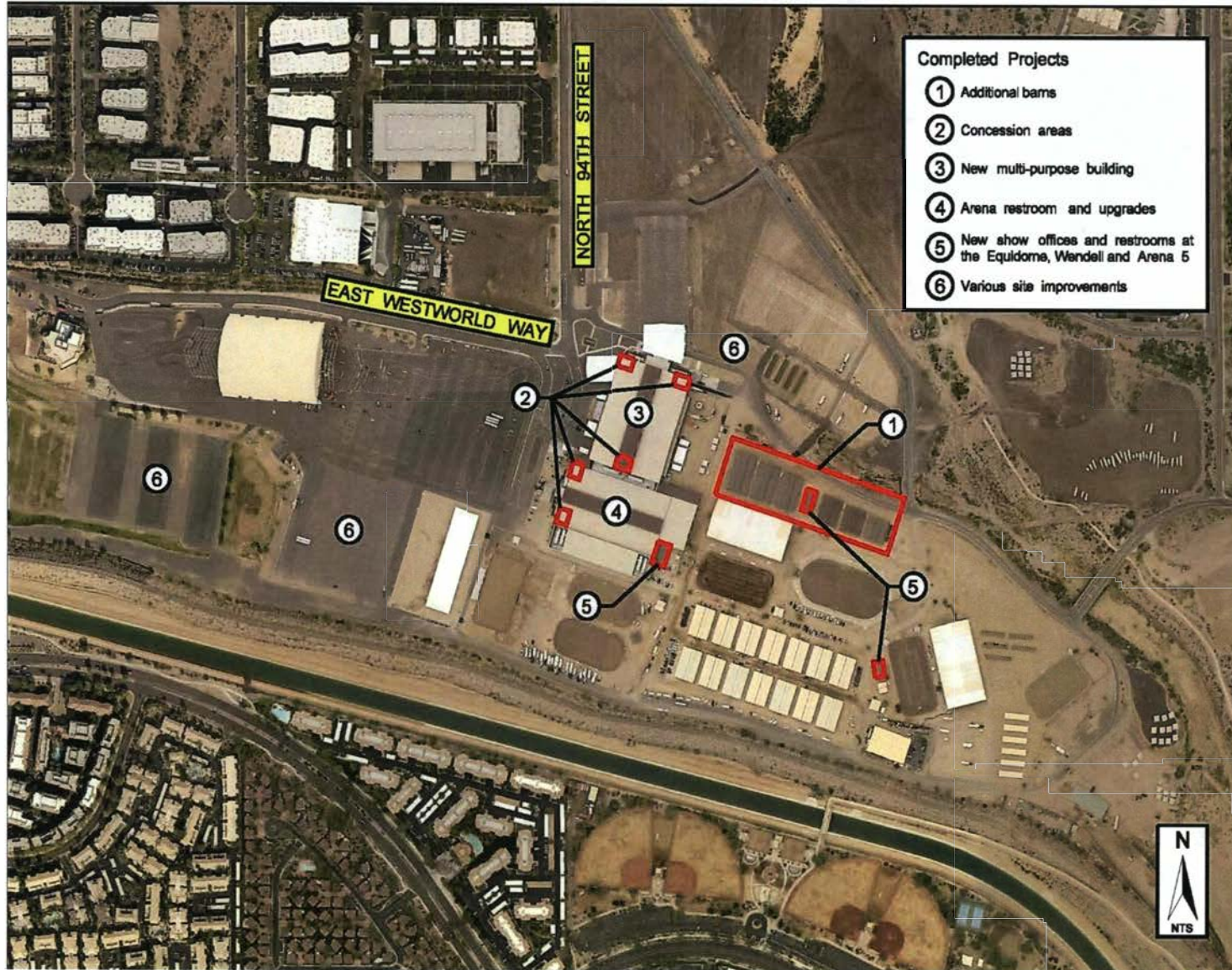
Proposed Action

**Recommend \$300,000 in tourism funding for
a Municipal Use Master Site Plan (MUMSP)
Update for WestWorld**

2007 MUMSP Boundary



2007 MUMSP Completed Projects



Proposed 2017 MUMSP Boundary



Proposed Projects

1. Internet for TNEC
2. Arena 4 and 5 lights
3. * Parking Lot K & M lighting
4. 94th Street improvements
5. * RV lot G paving
6. * South Hall paving
7. Retention basin drywells
8. * Relocation of Arena 8
9. * Acquire a 10-acre and 7.29-acre parcel of AZ State Land at 96th & Bell
10. * Adopt policy allowing Barrett-Jackson tents to stay up in the Spring
11. * Cover Arena 6 or Arena 7
12. * RV site expansion from 400 to 600+ pedestals
13. * Possible city share to help underground APS Power Lines

Recommendations

- Staff recommendation: Approve \$300,000 in tourism funding
- TDC recommendation: Approve no more than \$150,000 in tourism funding

Options

- Approve \$300,000 in tourism funding to allow immediate start
- Approve \$150,000 in tourism funding, approve contingency CIP transfer of \$150,000 from general fund to allow immediate start
- Do not approve; allow staff to consider as a general fund CIP request during development of FY 2017/18 CIP

Questions and Discussion

Item 23

**WestWorld Municipal
Use Master Plan
Update**

*City Council
November 28, 2016*

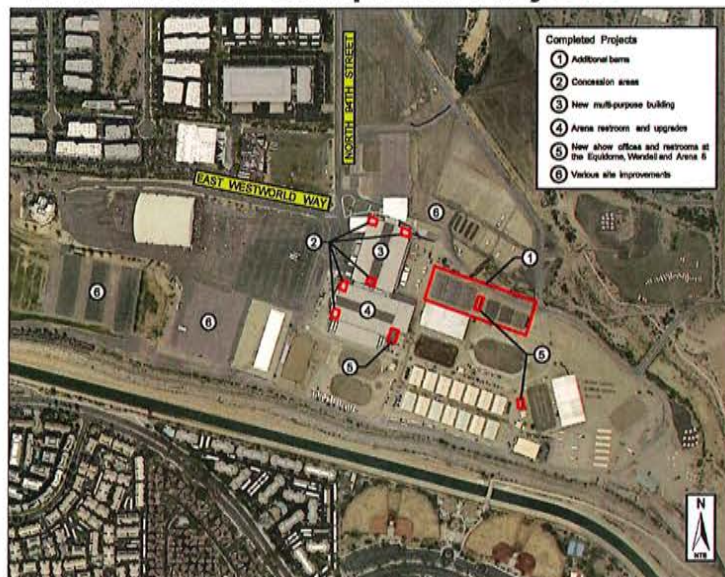
Proposed Action

**Recommend \$300,000 in tourism funding for
a Municipal Use Master Site Plan (MUMSP)
Update for WestWorld**

2007 MUMSP Boundary



2007 MUMSP Completed Projects



Proposed 2017 MUMSP Boundary



Proposed Projects

1. Internet for TNEC
2. Arena 4 and 5 lights
3. * Parking Lot K & M lighting
4. 94th Street improvements
5. * RV lot G paving
6. * South Hall paving
7. Retention basin drywells
8. * Relocation of Arena 8
9. * Acquire a 10-acre and 7.29-acre parcel of AZ State Land at 96th & Bell
10. * Adopt policy allowing Barrett-Jackson tents to stay up in the Spring
11. * Cover Arena 6 or Arena 7
12. * RV site expansion from 400 to 600+ pedestals
13. * Possible city share to help underground APS Power Lines

Recommendations

- Staff recommendation: Approve \$300,000 in tourism funding
- TDC recommendation: Approve no more than \$150,000 in tourism funding

Options

- Approve \$300,000 in tourism funding to allow immediate start
- Approve \$150,000 in tourism funding, approve contingency CIP transfer of \$150,000 from general fund to allow immediate start
- Do not approve; allow staff to consider as a general fund CIP request during development of FY 2017/18 CIP

Questions and Discussion